



MAYOR AND COUNCIL AGENDA

NO. 18

DEPT.: Finance /

DATE: December 30, 2004

ACTION: Adoption of Resolution to Declare the Official Intent of the Mayor and Council to Bond Finance Certain Projects Under U.S. Treasury Income Tax Regulation Section 1.150-2

ACTION STATUS:

FOR THE MEETING OF: 1/10/05

INTRODUCED
PUB. HEARING
INSTRUCTIONS
APPROVED
EFFECTIVE

ROCKVILLE CITY CODE,

CHAPTER
SECTION

☐ CONSENT AGENDA


RECOMMENDATION: That the Mayor and Council adopt this resolution.

IMPACT: ☐ Environmental ☒ Fiscal ☐ Neighborhood ☐ Other:

The adoption of this resolution will allow the City to be reimbursed for expenditures on certain capital projects from tax-exempt bond proceeds.

BACKGROUND: The FY 2005 Operating Budget and Capital Improvements Program anticipated the issuance of tax-exempt debt in the Capital Projects Fund, the Water Fund, the Sewer Fund, the Parking Fund and the Refuse Fund. Tax law requires that the City declare its official intent to finance specific projects with bond proceeds prior to incurring expenditures that will later be reimbursed. The attached resolution accomplishes this declaration. The projects proposed for financing in FY 2005 and FY 2006 are listed in Attachment A. The Water Fund projects may be funded through a loan from the Maryland Department of the Environment; the use of these funds also requires that an official intent to reimburse be approved prior to incurring expenditures.

PREPARED BY:


Dominic Del Pozzo, Acting Director of Finance

APPROVE:


Scott Ullery, City Manager

01/05/05
Date

LIST OF ATTACHMENTS:

Resolution and list of projects.

Resolution No. _____

Resolution: To declare the official intent of the Mayor and Council to bond finance certain projects under U.S. Treasury Income Tax Regulation Section 1.150.2

WHEREAS, the Mayor and Council of Rockville (the "Council") intends to finance the acquisition, construction and equipping of certain facilities and equipment described on Exhibit A attached hereto (collectively, the "Projects") for use in the governmental functions of the City of Rockville, Maryland (the "City"); and

WHEREAS, the Projects are expected to cost approximately \$65,720,500 in the aggregate; and

WHEREAS, U.S. Treasury Income Tax Regulation Section 1.150-2 requires that in order to assure the eligibility of expenditures made by the City for reimbursement from the proceeds of tax-exempt obligations, the Mayor and Council generally must adopt an official intent in compliance with the such regulation within 60 days after payment of the expenditure; and

WHEREAS, the Mayor and Council desires to declare its official intent to reimburse the costs of the Projects with the proceeds of the City's debt in order to comply with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby to assure the eligibility of expenditures made with respect to the Projects for reimbursement from the proceeds of tax-exempt obligations; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, as follows:

1. The City intends to acquire, construct and equip the Projects.
2. The City reasonably expects that (i) it will issue bonds or other obligations to finance all or a portion of the costs of the Projects, and (ii) it may pay capital expenditures for the Projects prior to the issuance of such bonds or other obligations and reimburse such expenditures from the proceeds of such bonds or other obligations.
3. The maximum principal amount of tax-exempt bonds or other obligations that the City expects to issue for the Projects is \$65,720,500.
4. This Resolution shall constitute the declaration by the Mayor and Council of its official intent to reimburse the costs of the Projects with the Proceeds of the City's debt for purposes of complying with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby assuring the eligibility of expenditures for reimbursement from the proceeds of tax-exempt obligations with respect to the Projects.

Resolution No. _____

- 2 -

I hereby certify that the foregoing is a true and correct copy
of a resolution adopted by the Mayor and Council at its
meeting of January 10, 2005.

Claire F. Funkhouser, City Clerk

ATTACHMENT A

<i>Fund</i>	<i>Project Name</i>	<i>Amount</i>	<i>Total</i>	
Capital Projects	Asphalt Pavement Maintenance	\$ 2,072,000		2005 & 06
	Asphalt/Concrete Improvements - Rec and Parks	297,000		2005 & 06
	Baltimore/MD 28 - Broadwood	50,000		2006
	Bicycle Route System (various projects)	865,000		2005 & 06
	Bridge Rehabilitation	150,000		2005
	Community Gym Contribution	200,000		2006
	Concrete Improvements	1,600,000		2005 & 06
	Croyden Creek Nature Center	85,000		2005
	Drainage Improvements	267,000		2005 & 06
	Financial System	600,000		2005
	F. Scott Fitzgerald Theater Improvements	189,000		2005 & 06
	Glenview Mansion Master Plan	50,000		2006
	King Farm "Farmstead" Park	120,000		2005
	King Farm 28 Acre Park	345,000		2005
	Park Shelter Improvements	40,000		2005
	Park Pedestrian Bridge Replacement	60,000		2006
	Pedestrian Safety/Neigh Traffic Control	315,000		2005
	Playground Equipment Improvements	340,000		2005 & 06
	Senior Center Master Plan	105,000		2006
	Storm Sewer System Upgrade	237,500		2005
	Street Lighting Improvements	147,000		2006
	Thomas Farm Recreation Center	3,336,000		2005 & 06
	Town Center Redevelopment	12,000,000		2005, 6 & 7
	Traffic Signals - City-wide	300,000		2005 & 06
	Vehicles for City Use	1,070,000		2006 & 06
	<i>Total - Capital Projects Fund</i>		\$ 24,840,500	
Water	Water Treatment Plant Improvements	\$ 1,700,000		2005
	Wooton Mills Park Stream Restoration	1,500,000		Not sure
	<i>Total - Water Fund</i>		3,200,000	
Sewer	Regional Treatment Facilities	\$ 5,750,000		2005 & 6
	<i>Total - Sewer Fund</i>		5,750,000	
Refuse	Vehicles for City Use	\$ 230,000		2006
	<i>Total - Refuse Fund</i>		230,000	
Parking	Town Center - Parking Facilities	\$ 31,700,000		
	<i>Total - Parking Fund</i>		31,700,000	2005 & 06
All Funds			\$ 65,720,500	

ATTACHMENT A

<i>Fund</i>	<i>Project Name</i>	<i>Amount</i>	<i>Total</i>	
Capital Projects	Asphalt Pavement Maintenance	\$ 2,072,000		2005 & 06
	Asphalt/Concrete Improvements - Rec and Parks	297,000		2005 & 06
	Baltimore/MD 28 - Broadwood	50,000		2006
	Bicycle Route System (various projects)	865,000		2005 & 06
	Bridge Rehabilitation	150,000		2005
	Community Gym Contribution	200,000		2006
	Concrete Improvements	1,600,000		2005 & 06
	Croyden Creek Nature Center	85,000		2005
	Drainage Improvements	267,000		2005 & 06
	Financial System	600,000		2005
	F. Scott Fitzgerald Theater Improvements	189,000		2005 & 06
	Glenview Mansion Master Plan	50,000		2006
	King Farm "Farmstead" Park	120,000		2005
	King Farm 28 Acre Park	345,000		2005
	Park Shelter Improvements	40,000		2005
	Park Pedestrian Bridge Replacement	60,000		2006
	Pedestrian Safety/Neigh Traffic Control	315,000		2005
	Playground Equipment Improvements	340,000		2005 & 06
	Senior Center Master Plan	105,000		2006
	Storm Sewer System Upgrade	237,500		2005
	Street Lighting Improvements	147,000		2006
	Thomas Farm Recreation Center	3,336,000		2005 & 06
	Town Center Redevelopment	12,000,000		2005, 6 & 7
	Traffic Signals - City-wide	300,000		2005 & 06
	Vehicles for City Use	1,070,000		2006 & 06
	<i>Total - Capital Projects Fund</i>		\$ 24,840,500	
Water	Water Treatment Plant Improvements	\$ 1,700,000		2005
	Wooton Mills Park Stream Restoration	1,500,000		2005 & 06
	<i>Total - Water Fund</i>		3,200,000	
Sewer	Regional Treatment Facilities	\$ 5,750,000		2005 & 6
	<i>Total - Sewer Fund</i>		5,750,000	
Refuse	Vehicles for City Use	\$ 230,000		2006
	<i>Total - Refuse Fund</i>		230,000	
Parking	Town Center - Parking Facilities	\$ 31,700,000		
	<i>Total - Parking Fund</i>		31,700,000	2005 & 06
All Funds			\$ 65,720,500	